

ONE HUNDRED FIRST LEGISLATURE - SECOND SESSION - 2010
COMMITTEE STATEMENT (CORRECTED)
LB961

Hearing Date: Monday February 08, 2010
Committee On: Business and Labor
Introducer: Council
One Liner: Provide for economic development job training grants

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:
Aye: 7 Senators Wallman, White, Schilz, McGill, Lathrop, Council, Carlson
Nay:
Absent:
Present Not Voting:

Proponents:
Shelisa Minnifield
Ben Gray
Natalia Peart
Wendy Boyer
Jim Grotrian
Kate Bolz
John Lindsay

Representing:
Introducer on behalf of Senator Brenda Council
Impact One Community Connection Inc.
Omaha YWCA
Greater Omaha Chamber
Metropolitan Community College
Nebraska Appleseed
Omaha Public Schools

Opponents:

Representing:

Neutral:
Marshall Hill

Representing:
Coordinating Commission for Postsecondary Education

Summary of purpose and/or changes:

LB 961 amends sections pertaining to the subaccount of the Job Training Cash Fund. The legislature established the subaccount to the Job Training Cash Fund in 2008. The subaccount is designated for training employees of small businesses, residents of rural areas and residents of areas of high poverty. Since 2008 there have been implementation problems and businesses found it difficult to apply and receive these grants.

Section 1: Re-writes the applicability of the subaccount to the Job Training Cash Fund. Such grants are designated for training employees and potential employees of businesses that: 1) employee 25 or fewer employees, (2) will employee residents of rural areas or (3) is located or will employ residents of high-poverty areas.

Section 2: Amends section 81-2103 to set specific requirements for grants provided pursuant to the subaccount of the Job Training Cash Fund. A business applying for such grant must document: (1) an established program designed to fill positions, (2) a program schedule for the project, (3) the nature of the business and the number of positions, (4) that the wage level will meet the local prevailing wage, (5) that the positions will diversify the local economy, (6) that a minimum of 75% of the positions will be full-time, (7) that the business will match a minimum of 25% of the value of the grant, and (8) that the positions will be created within 3 years. Businesses that receive such grants must annually report to the Department of Economic Development: (1) the percentage of trainees that have completed the program, (2) the

percentage of trainees that were hired and (3) an itemized description of the businesses match.

Section 3: Adds training grant recipients to the requirement that businesses annually report to the Department of Economic Development.

Section 4: Requires recipients of training grants to repay grants when they trained less trainees than was identified in their business plan.

Section 5: Repealer.

Explanation of amendments:

AM 2118 strikes language pertaining to unobligated and unexpended funds remaining in the subaccount. Clarifies the purpose of both the Job Training Cash Fund and the subaccount. Explains that partnering nonprofit organizations must hold a certificate of exemption pursuant to the internal revenue code. A business must applying for a training grant must show that its program will fill at least 4 positions in rural areas or 8 position if in a high-poverty area. Adds two criteria that a qualifying business must show: 1) that the number of trainees will not exceed 125% of the number of positions and 2) that the produced goods and services are exportable and that the positions are not retail positions. Allows the Department of Economic Development to audit participating businesses. Adds language allocating up to 4% of each grant to assist the Department of Economic Development for administrative costs. Money from the fund can only be used for purposes outlined in section 81-1201.21.

Steve Lathrop, Chairperson